

**MAR MAC DRIFTLESS AREA WETLAND CENTRE  
(COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
OTHER INFORMATION  
SCHEDULE OF FINDINGS**

**JUNE 30, 2013**

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MAR MAC DRIFTLESS AREA WETLAND CENTRE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Ryan Johnson	President	June 30, 2013
Dawn Colsch	Vice President	June 30, 2013
Rinda Ferguson	Treasurer/Secretary	June 30, 2013
Scott Rose	Board Member	June 30, 2013
Dean Hilgersen	Program Manager	Indefinite
Ann E. H. Loomis	Attorney	Indefinite

# Dietz, Donald & Company

CERTIFIED PUBLIC ACCOUNTANTS

**STEVEN S. CLAUSEN, CPA**

124A Main • P.O. Box 359

Elkader, Iowa 52043

(563) 245-2154 • (800) 310-2154

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Mar Mac Driftless Area Wetland Centre

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Mar Mac Driftless Area Wetland Centre (a 28E Organization), component unit of the City of Marquette, Iowa as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Centre's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Centre's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund of the Mar Mac Driftless Area Wetland Centre as of June 30, 2013, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

### Emphasis-of-Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Centre will continue as a going concern. As discussed in Note 6 to the financial statements, the 28E agreement, under which the Centre was organized, was terminated August 13, 2013. The land lease with the City of Marquette, Iowa (the City) was also terminated at that time and the City exercised its option to purchase the nature center. A new 28E agreement was entered into August 13, 2013 between the City and MFL Mar-Mac Community School District to establish a municipal administrative agency designated as the Wetland Centre Board of Directors to administer the facilities of the former Mar Mac Driftless Area Wetland Centre. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

### Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

## Other Matters

### *Other Information*

The other information, Management's Discussion and Analysis and the budgetary comparison information on pages 7 through 10 and 19 through 20 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2013 on our consideration of the Mar Mac Driftless Area Wetland Centre's internal control over financial reporting, and our tests of its compliance with certain laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Mar Mac Driftless Area Wetland Centre's internal control over financial reporting and compliance.

Elkader, Iowa

October 11, 2013



Dietz, Donald & Company  
Certified Public Accountants  
FEIN 42-1172392

# Mar Mac Driftless Area Wetland Centre

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Mar Mac Driftless Area Wetland Centre provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2013. We encourage readers to consider this information in conjunction with the Centre's financial statements, which follow:

### 2013 FINANCIAL HIGHLIGHTS

Receipts of the Centre's governmental activities increased 28%, or approximately \$ 115,000 in fiscal year 2013 from the year ended June 30, 2012. Intergovernmental receipts increased approximately \$ 160,000, while grants from nonprofit organizations decreased approximately \$ 45,000.

Disbursements of the Centre's governmental activities increased 26%, or approximately \$ 121,000. Construction design and engineering disbursements increased approximately \$ 124,000 and fund raising and grant writing disbursements were approximately \$ 4,000.

The Centre's total cash basis net position decreased 90%, or approximately \$ 58,000 from June 30 2012, to June 30, 2013.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Centre's financial activities.

The Government-wide Financial Statement consists of a Cash Basis Statement of Net Position. This statement provides information about the activities of the Centre as a whole and presents an overall view of the Centre's finances.

The Fund Financial Statement tells how governmental services are financed in the short term as well as what remains for future spending. The Fund Financial Statement reports the Centre's operations in more detail than the government-wide statement.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other information further explains and supports the financial statements with a comparison of the Centre's budget for the year.

## **BASIS OF ACCOUNTING**

The Centre maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Centre are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the fund in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

## **REPORTING THE CENTRE'S FINANCIAL ACTIVITY**

### *Government-wide Financial Statement*

The Cash Basis Statement of Activities and Net Position presents the Centre's net position. Over time, increases and decreases in the Centre's net position may serve as a useful indicator of whether the financial position of the Centre is improving or deteriorating.

The Cash Basis Statement of Activities and Net Position presents the Centre's one governmental activity, culture and recreation.

### *Fund Financial Statement*

The Centre has only one fund, which is a governmental fund. This focuses on how money flows into and out of that fund, and the balance at year end that is available for spending. The governmental fund financial statement provides a detailed, short-term view of the Centre's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Centre's programs.

The required financial statement for the governmental fund includes a Statement of Cash Receipts, Disbursements and Change in Cash Balance.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of financial position. The Centre's cash balance was \$ 6,465 at the end of the current year as compared to \$ 64,926 at June 30, 2012.

### Changes in Cash Basis Net Position of Governmental Activities

	<u>Year Ended June 30, 2013</u>	<u>Year Ended June 30, 2012</u>
Receipts:		
Program receipts:		
Charges for service	\$ 63,267	\$ 158,115
Capital grants and contributions	466,689	256,088
Unrestricted interest on investments	<u>38</u>	<u>319</u>
Total receipts	529,994	414,522
Disbursements:		
Culture and recreation	<u>588,455</u>	<u>467,767</u>
Change in cash basis net position	(58,461)	(53,245)
Cash basis net position beginning of year	<u>64,926</u>	<u>118,171</u>
Cash basis net position end of year	<u>\$ 6,465</u>	<u>\$ 64,926</u>

## GOVERNMENTAL FUND ANALYSIS

Mar Mac Driftless Area Wetland Centre's June 30, 2013 governmental fund balance was \$ 6,465 as compared to \$ 64,926 at June 30, 2012, as construction of the nature center was completed in 2013.

## BUDGETARY HIGHLIGHTS

The Centre did not amend its budget during the year. Actual operating disbursements did not exceed the amount budgeted.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 28E agreement establishing Mar Mac Driftless Area Wetland Centre was terminated August 13, 2013 and the nature center was transferred to the City of Marquette. A new 28E agreement was entered into between the City of Marquette and the MFL Mar Mac Community School District to operate the nature center.

## **CONTACTING THE CENTRE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers of McGregor, Marquette and MFL Mar Mac Community School District with a general overview of the Centre's finances and to show the Centre's accountability for the money it receives. If you have any questions about the report or need additional information, contact Rinda Ferguson, Secretary/Treasurer; 102 North Street; Marquette, Iowa.

## BASIC FINANCIAL STATEMENTS

MAR MAC DRIFTLESS AREA WETLAND CENTRE  
 (A COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)  
 CASH BASIS STATEMENT OF ACTIVITIES AND NET POSITION  
 As of and for the Year Ended June 30, 2013

	<u>2013</u>
Disbursements:	
Culture and recreation	\$ 588,455
Program receipts:	
Charges for service	63,267
Capital grants and contributions	<u>466,689</u>
Total program receipts	<u>529,956</u>
Net receipts	(58,499)
General receipts:	
Unrestricted interest on investments	<u>38</u>
Change in cash basis net position	(58,461)
Cash basis net position beginning of year	<u>64,926</u>
Cash basis net position end of year	<u>\$ 6,465</u>
Cash Basis Net Position:	
Unrestricted	<u>\$ 6,465</u>
Total cash basis net position	<u>\$ 6,465</u>

See notes to financial statements.

MAR MAC DRIFTLESS AREA WETLAND CENTRE  
 (COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
 AND CHANGE IN CASH BALANCE  
 GOVERNMENTAL FUND  
 As of and for the Year Ended June 30, 2013

	<u>2013</u>
Receipts:	
Intergovernmental	\$ 441,308
Use of money and property	420
Miscellaneous	<u>88,266</u>
Total receipts	<u>529,994</u>
Disbursements:	
Operating:	
Culture and recreation:	
Administrative	13,680
Construction, design, and engineering	<u>574,775</u>
Total disbursements	<u>588,455</u>
Net change in cash balance	(58,461)
Cash balance beginning of year	<u>64,926</u>
Cash balance end of year	<u><u>\$ 6,465</u></u>
Cash Basis Fund Balance	
Unassigned	<u>\$ 6,465</u>
Total cash basis fund balance	<u><u>\$ 6,465</u></u>

See notes to financial statements.

MAR MAC DRIFTLESS AREA WETLAND CENTRE  
(COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2013

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Mar Mac Driftless Area Wetland Centre is a component unit of the City of Marquette, Iowa, as determined by criteria specified by the Governmental Accounting Standards Board. The District is a political subdivision of the State of Iowa located in Clayton County. It was first incorporated in 2009 and operates under Chapter 28E of the Code of Iowa. The Centre is governed by a five member board. The cities of Marquette and McGregor each appoint two board members, who are currently residents of the City making the appointment. The appointments are made by the Mayor, subject to approval by a majority vote of the Council. One Board Member shall be appointed by the Superintendent and approved by the Board of Education of MFL Mar Mac Community School District. The Board Member appointed by the School shall be a resident of the School District, but not an elected official of either Marquette or McGregor. If the School chooses to waive their right to appoint a Board Member, an at-large Board Member may be appointed by the four city appointed Board Members.

The purpose of the Centre shall be to provide social, educational, and recreational opportunities for area residents, youth and visitors. The functions of the Centre shall include a multi-use community facility and arts venue, a nature center focusing on area ecosystems, and eventually, a trail head for area pedestrian and cycling trails.

**A. Reporting Entity**

For financial reporting purposes, the Mar Mac Driftless Area Wetland Centre has included all funds, organizations, agencies, boards, commissions and authorities. The Centre has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Centre are such that exclusion would cause the Centre's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Centre to impose its will on the organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Centre. The Mar Mac Driftless Area Wetland Centre has no component units which meet the Governmental Accounting Standards Board criteria.

## B. Basis of Presentation

Government-wide Financial Statement - The Cash Basis Statement of Activities and Net Position (previously referred to as net assets) reports information on all of the activities of the Centre and presents the Centre's non-fiduciary net position.

Activities between the Centre and the City of Marquette are reported as if they are external transactions and are classified separately from internal activities within the Centre. Net position is reported in the following category/component:

Unrestricted net position consists of net position not meeting the definition of any other category. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Cash Basis Statement of Activities and Net Position demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Investment income not properly included among program receipts is reported instead as general receipts.

Fund Financial Statement - A separate financial statement is provided for the governmental fund. The Centre's only governmental fund is the General Fund. The General Fund is the general operating fund of the Centre. All receipts from the participating cities and school district and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

## C. Measurement Focus and Basis of Accounting

The Mar Mac Driftless Area Wetland Center maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Centre are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the fund in accordance with U.S. generally accepted accounting principles.

#### D. Governmental Cash Basis Fund Balance

In the governmental fund financial statement, the cash basis fund balance is classified as follows:

Unassigned - All amounts not included in any other classification.

#### E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

### **(2) CASH**

The Centre's deposits in banks at June 30, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Centre is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities, certificates of deposit or other evidence of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Centre has no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3.

### **(3) RISK MANAGEMENT**

The Mar Mac Driftless Area Wetland Centre is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Centre assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims have not exceeded commercial coverage during the past three years.

### **(4) RELATED PARTY TRANSACTIONS**

The Centre received the following amounts from its 28E participating entities for the year ended June 30, 2013:



<u>Participating Entity</u>	<u>Amount</u>
MFL Mar Mac Community School District	\$ 35,885
City of Marquette	391,924
City of McGregor	<u>13,500</u>
Total	<u>\$ 441,309</u>

**(5) LEASE AGREEMENT**

The City of Marquette shall lease to the Centre, for a term of fifty years, a parcel of real estate approximately two acres in size located within a larger city-owned parcel, commonly referred to as the "Roundhouse Property." The rental amount to be paid shall be the sum of \$ 1 per year. The Centre shall be deemed the owner of the building and all other improvements constructed on the leased premises. Upon termination of the lease, all permanent improvements constructed on the leased premises shall become the property of the City. The City shall provide municipal water and sanitary sewer services to the Centre at no charge during the term of the lease. The lease was terminated August 13, 2013.

**(6) GOING CONCERN**

The 28E agreement creating the Mar Mac Driftless Area Wetland Centre was terminated August 13, 2013. On July 16, 2013, the City of Marquette exercised its option to purchase or otherwise acquire all tangible assets of the Centre, including the nature center building and improvements and all equipment, supplies and records.

The Council of the City of Marquette has decided to continue operation of the nature center under the name of "Driftless Area Wetland Centre"; under the direction of an administrative agency of the City of Marquette, to be utilized jointly by the City and MFL Mar Mac Community School District pursuant to the terms of a new 28E agreement.

## OTHER INFORMATION

MAR MAC DRIFTLESS AREA WETLAND CENTRE  
(COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)  
BUDGETARY COMPARISON SCHEDULE  
OF RECEIPTS, DISBURSEMENTS AND CHANGE IN BALANCE-  
BUDGET AND ACTUAL CASH BASIS  
OTHER INFORMATION  
Year Ended June 30, 2013

	Actual	Less Funds Not Required to be Budgeted	Total	Budgeted Amounts	Budgeted Amount to Total Variance
<b>Receipts:</b>					
Intergovernmental	\$ 441,308	414,308	27,000	27,000	-
Use of money and property	420	38	382	2,000	(1,618)
Miscellaneous	88,266	80,477	7,789	13,500	(5,711)
Total receipts	529,994	494,823	35,171	42,500	(7,329)
<b>Disbursements:</b>					
Culture and recreation	588,455	556,175	32,280	42,500	10,220
Excess (deficiency) of receipts over (under) disbursements	(58,461)	(61,352)	2,891	-	2,891
Balance beginning of year	64,926	(64,926)	-	-	-
Balance end of year	\$ 6,465	3,574	2,891	-	2,891

See accompanying independent auditor's report and notes to other  
information-budgetary reporting.

MAR MAC DRIFTLESS AREA WETLAND CENTRE  
(COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)

NOTES TO OTHER INFORMATION - BUDGETARY REPORTING

June 30, 2013

This budgetary comparison is presented as Other Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund.

In accordance with the 28E agreement creating the Mar Mac Driftless Area Wetland Centre, the Cities shall appropriate and pay to the Centre each fiscal year 50% of the Centre's budget for that year to the extent funds are not made available from other sources. The Cities may subsequently agree to provide further appropriations. On or before November 1 of each year during the term of the 28E agreement, the Board shall adopt and submit to each city a proposed budget for the next fiscal year. The proposed budget shall set forth the total dollar amount to be appropriated to the Centre by each city. The council of each city shall then consider and either approve or reject said budget request, or any budget request, by no later than January 1. If either council fails to approve the budget request by January 1, the two city councils and the Board shall meet in joint session during January to discuss and negotiate concerning the budget for the next fiscal year. If the Board and both city councils fail to agree upon and approve a budget for the next fiscal year by February 1, the 28E agreement automatically terminates.

The Centre shall have full authority to apply for and receive grants for facilities construction and programming but no such grants shall obligate the Centre or either city to contribute or expend non-grant monies beyond amounts included in an approved budget. Any budget surplus shall be carried over and used to reduce payments by the cities for the next fiscal year's budget.

The Centre shall have no power to impose any taxes of any nature, nor pledge the credit of either city or the school, nor incur any debt or any other financial obligation, the payment of which has not been provided for in the current or an approved future budget.

**STEVEN S. CLAUSEN, CPA**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of the  
Mar Mac Driftless Area Wetland Centre:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Mar Mac Driftless Area Wetland Centre as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the Centre's basic financial statements, and have issued our report thereon dated October 11, 2013. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mar Mac Driftless Area Wetland Centre's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mar Mac Driftless Area Wetland Centre's internal control. Accordingly, we do not express an opinion on the effectiveness of Mar Mac Driftless Area Wetland Centre's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Centre's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mar Mac Driftless Area Wetland Centre's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However we noted certain immaterial instances of noncompliance or other matters that are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Centre's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Centre. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

#### Mar Mac Driftless Area Wetland Centre's Responses to Findings

Mar Mac Driftless Area Wetland Centre's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Mar Mac Driftless Area Wetland Centre's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Centre's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Centre's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Mar Mac Driftless Area Wetland Centre during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Elkader, Iowa

October 11, 2013

A handwritten signature in cursive script that reads "Dietz, Donald & Company". The signature is fluid and elegant, with the company name written in a single line.

Dietz, Donald & Company  
Certified Public Accountants  
FEIN 42-1172392

MAR MAC DRIFTLESS AREA WETLAND CENTRE  
(COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)  
SCHEDULE OF FINDINGS  
Year Ended June 30, 2013

Part I: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses were identified

INSTANCES OF NON-COMPLIANCE

No matters were noted.



MAR-MAC DRIFTLESS AREA WETLAND CENTRE  
(COMPONENT UNIT OF THE CITY OF MARQUETTE, IOWA)  
SCHEDULE OF FINDINGS  
Year Ended June 30, 2013

Part II: Other Findings Related to Required Statutory Reporting:

- II-A-13 Certified Budget - Disbursements for the year ended June 30, 2013 did not exceed the amount budgeted.
- II-B-13 Questionable Disbursements - No disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- II-C-13 Travel Expense - No disbursements of Centre money for travel expenses of spouses of Centre's officials or employees were noted. No travel advances to Centre's officials were noted.
- II-D-13 Business Transactions - No business transactions between the Centre and Centre's officials were noted.
- II-E-13 Bond Coverage - Surety bond coverage of Centre's officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- II-F-13 Board Minutes - No transactions were found that we believe should have been approved in the board minutes but were not.
- II-G-13 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Centre's investment policy were noted.
- II-H-13 Electronic Check Retention - Chapter 554D.114 of the Code of Iowa allows the Centre to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The Centre does not receive an image of the back of each cancelled check.  
Recommendation - The Centre should obtain and retain images of both the front and back of cancelled checks as required by Chapter 554D.114 of the Code of Iowa.  
Response - We would do this if we still existed.  
Conclusion - Response accepted.